

NORTHERN BORDER PIPELINE COMPANY
OPERATIONAL BALANCING AGREEMENT
(For Use at Point(s) of Interconnection)

This Agreement ("OBA" or "Agreement") is made and entered into as of _____, 20____, by and between NORTHERN BORDER PIPELINE COMPANY ("Company") and _____ ("_____") (collectively the "OBA Parties" or individually as an "OBA Party").

WITNESSETH

WHEREAS, the facilities operated or to be operated by Company and _____ interconnect at a location(s) specified in the Exhibit A attached hereto and incorporated herein by this reference (hereinafter referred to as "Point(s) of Interconnection"); and

WHEREAS, Company and/or _____ have entered into one or more agreements with third party service requesters (hereinafter referred to as "Service Requester(s)") for the transportation of gas to or from the Point(s) of Interconnection on their respective systems (said agreements hereinafter referred to as "Service Requester Agreements"); and

WHEREAS, from time-to-time, the quantities of gas confirmed and scheduled by the OBA Parties to be delivered to or received from the Point(s) of Interconnection (said quantities hereinafter referred to as the "Scheduled Quantities") may be greater or lesser than the quantities of gas which are actually delivered at the Point(s) of Interconnection resulting in inadvertent over- or under-deliveries relative to Scheduled Quantities; and

Whereas, the OBA Parties desire to implement a balancing agreement in order to facilitate more efficient operations, accounting, and systems management at the Point(s) of Interconnection and on the OBA Parties' respective systems; and

WHEREAS, the OBA Parties desire to provide for a means whereby certain actions will be taken by them in order to prevent the occurrence of an operational imbalance at the Point(s) of Interconnection and to reduce or eliminate any operational imbalance which may occur at the Point(s) of Interconnection.

NOW THEREFORE, in consideration of the premises and mutual covenants contained herein, the OBA Parties agree as follows:

1. Prior to the date and time of flow at each Point(s) of Interconnection, the OBA Parties shall confirm and schedule nominations which will be delivered or received at each Point(s) of Interconnection. The reconciliation and confirmation between the OBA Parties shall be made in writing, unless otherwise mutually agreed to by the OBA Parties. A summary of the total confirmed nominations must be completed and signed by both OBA Parties as soon as practical after the flow month's end.

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2. The OBA Parties intend that the quantity of gas actually delivered and received each day at each Point(s) of Interconnection will equal the Scheduled Quantities for that point. Each OBA Party will allocate quantities which are to be delivered and received at each Point(s) of Interconnection among the Service Requester Agreements on its system pursuant to the Scheduled Quantities at such Point(s) of Interconnections. Any imbalance created, when the actual physical flow is different than the Scheduled Quantities, will be the "Operational Imbalance" which will be the responsibility of the OBA Parties to eliminate pursuant to this Agreement.
3. Estimated operating quantities flowing at each Point(s) of Interconnection shall be used on an ongoing basis during any day to determine the forecast Operational Imbalance at such Point(s) of Interconnection and for that day, with physical flow adjustments to be made during that current day as mutually agreed to by both OBA Parties to attempt to maintain or achieve an Operational Imbalance of zero at each Point(s) of Interconnection.
4.
 - a. The actual measured quantity of gas at the Point(s) of Interconnection each day shall be determined and communicated by _____ (the "Measuring Party") by facsimile, electronic interface system or in writing to the other OBA Parties in accordance with NAESB Standard 2.3.7, or as mutually agreed. The actual measured quantity shall be determined pursuant to the applicable provisions of the Measuring Party's Tariff or applicable measurement procedures.
 - b. Operational Imbalances shall be corrected in a manner mutually agreed to within such period of time as is mutually agreed to by the OBA Parties. Company has the right to issue an operational flow order at the Point(s) of Interconnection pursuant to the terms and conditions of its Federal Energy Regulatory Commission ("FERC") Gas Tariff.
5. In the event that a capacity constraint occurs on either OBA Party's system which results in curtailment of quantities through the Point(s) of Interconnection, the OBA Party on whose system the constraint has occurred shall determine the confirmation of quantities to the Service Requester(s) under the affected Service Requester Agreements. Such change in Scheduled Quantities shall be confirmed as required by Paragraph (1) above. In the event that the location of the restriction is not clear, if the delivery pressure at the interconnect is equal to or greater than the delivery pressure commitments of Company, then _____ shall be deemed to be restricted, otherwise, Company shall be deemed to be restricted.
6. This Agreement is entered into in order to facilitate operations and accounting between the OBA Parties, and shall have no effect upon the Service Requester Agreements or upon the effectiveness of any OBA Party's Federal Energy Regulatory Commission (FERC) Gas Tariff.

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7. OBA Parties agree to timely amend this Agreement to delete or add Point(s) of Interconnection(s) as may be appropriate, by revising Exhibit A hereto.
8. Notwithstanding the termination of this Agreement, the OBA Parties agree to reconcile and eliminate any remaining Operational Imbalance pursuant to the terms and conditions of this Agreement within sixty (60) days of termination of this Agreement or such other period of time which is mutually agreed to by the OBA Parties.
9. This Agreement and the terms and conditions herein are subject to all present and future valid laws, orders, rules and regulations of duly constituted authorities having jurisdiction.
10. In the event a conflict exists or arises between this Agreement and an OBA Party's FERC Gas Tariff, as amended from time-to-time, it is agreed and understood that the latter shall control.
11. This Agreement is for accounting and system management purposes only, and is entered into by the OBA Parties with the understanding that the balancing activities provided for hereunder will not subject any non-jurisdictional entity to regulation by FERC as a "natural gas company" under the provisions of the Natural Gas Act. If, at any time, it should be determined that such balancing activities do result in such regulation, then this Agreement shall immediately terminate, and any remaining Operational Imbalance shall be resolved by the OBA Parties within sixty (60) days after termination of this Agreement.
12. Any entity which shall succeed by purchase, merger or consolidation to the properties, substantially as an entity, of either OBA Party, shall be subject to the obligations of its predecessor to this Agreement. No other assignment of this Agreement or of any of the rights or obligations hereunder shall be made.
13. AS TO ALL MATTERS OF CONSTRUCTION AND INTERPRETATION, THIS AGREEMENT SHALL BE INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.
14. Notices shall be provided in accordance with Subsection 6.20.1 of the General Terms and Conditions of Company's FERC Gas Tariff.
15. A waiver by either OBA Party of any one or more defaults by the other OBA Party hereunder shall not operate as a waiver of any future default or defaults, whether of like or different character.
16. This Agreement shall not create any rights in favor of or obligations for the benefit of third parties, and no provision of this Agreement shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entities other than the OBA Parties.

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- 17. In the event that one of the parties experiences an unplanned flow reduction that would create an imbalance that cannot be accommodated in the OBA and which cannot be corrected in a timely fashion in one of the standard nomination cycles, the OBA Parties shall use best efforts to implement an additional nomination cycle to effect the needed curtailments.
- 18. All claims arising from and out of the terms of this Agreement shall be limited to the assets of Company or _____ as the case may be. Company and _____ agree that exercise of any and all rights or remedies at law or in equity against the individual partners of Company by _____ and of _____ by Company, their successors, assigns and representatives is hereby expressly waived.
- 19. The effective date of this Agreement shall be _____, 20__.
- 20. The primary term of this Agreement shall be from the effective date until cancelled upon sixty (60) days written notice or by other provisions herein.
- 21. The applicable General Terms and Conditions of Company's FERC Gas Tariff which are on file with the Federal Energy Regulatory Commission and in effect, and Exhibit A hereto, are hereby incorporated in, and made a part of this Agreement.
- 22. Other Provisions: (If none - so state)

IN WITNESS WHEREOF, the OBA Parties hereto have executed duplicate originals of this Agreement on the date set forth hereinabove.

NORTHERN BORDER PIPELINE COMPANY
By: TransCanada Northern Border Inc.,
its Operator

(Name of Other OBA Party)

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

By: _____

Title: _____

Date: _____

